

174060

# NEXSEN | PRUET

**Robert D. Coble**  
Member

May 19, 2005

Ms. Daphne Duke  
The Public Service Commission  
P.O. Drawer 11659  
Columbia, SC 29210

Re: BellSouth Telecommunications, Inc.

Dear Duke:

Enclosed please find the original and 25 copies of the Direct Testimony of Jayne Eve.

Please let me know if you need anything else.

Charleston

Charlotte

**Columbia**

Greensboro

Greenville

Hilton Head

Myrtle Beach

Very truly yours,



Robert D. Coble

RDC/cb

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**BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

<b>BellSouth Telecommunications, Inc.</b>	)	
<b>Transit Traffic Service Tariff</b>	)	<b>Docket No. 2005-63-C</b>
<b>No. 2005-50</b>	)	

**DIRECT TESTIMONY**

**OF**

**JAYNE EVE**

**On Behalf Of**

**ALLTEL SOUTH CAROLINA, INC.**

**Filed May 2, 2005**

1   **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.    My name is Jayne Eve and my business address is PO Box 689, 236 West Center  
3        Avenue, Mooresville, NC 28115.

4   **Q.    BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5   A.    I am employed by ALLTEL Communications as Director – State Government  
6        Affairs. My responsibilities include management of regulatory and legislative  
7        issues for ALLTEL’s subsidiaries in various states including South Carolina.

8   **Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9   A.    The purpose of my testimony is to address the Proposed Transit Traffic Service  
10       Tariff No. 2005-50 (“Proposed Tariff”) submitted by BellSouth, which has a  
11       requested effective date of February 16, 2005 and to request that this Commission  
12       address (1) the appropriateness of the proposed rate contained in this tariff and (2)  
13       the traffic to which the BellSouth’s tariff should apply. I will identify a number  
14       of significant issues that the Commission should consider before approving the  
15       proposed tariff and I will demonstrate that BellSouth has historically provided this  
16       service without charge to the independent companies, has an existing tariff that  
17       provides the same service at a lower rate and that its Proposed Tariff rate would  
18       unreasonably discriminate among similarly situated customers. I will establish  
19       that if a rate is needed then the appropriate rate, for this transit service, should  
20       mirror the Intrastate Access Services Tariff for Access Tandem Switching.

21   **Q.    CAN YOU BRIEFLY DESCRIBE WHAT SERVICE IS THE SUBJECT OF**  
22       **THE PROPOSED TARIFF?**

1 A. Yes. The Proposed Tariff addresses the provision of Transit Traffic Service. The  
2 Proposed Tariff would define Transit Traffic as “Local Traffic originating on one  
3 Telecommunications Service Provider’s network that is delivered by BellSouth to  
4 a different Telecommunications Service Provider’s network for termination.”

5 **Q. DOES ALLTEL OBJECT TO BELL SOUTH PROPOSING A TARIFF AND**  
6 **ASSOCIATED RATE FOR TRANSIT TRAFFIC SERVICE?**

7 A. ALLTEL does not object to BellSouth proposing, to the extent necessary, a tariff  
8 as the means to address the provision of transit traffic service and does not object  
9 to BellSouth being compensated for service that it provides. However, before  
10 approving this tariff, BellSouth must demonstrate, and the Commission must be  
11 convinced, among other matters, that (i) this service is not already tariffed by  
12 BellSouth and (ii) if it is appropriate or necessary for a new tariff to be  
13 established, that the proposed terms and conditions are reasonable and do not  
14 discriminate among similarly situated carriers.

15 **Q. HOW IS LOCAL TRAFFIC DEFINED FOR PURPOSES OF THIS**  
16 **PROPOSED TARIFF?**

17 A. For the purposes of my testimony, I will focus on wireline-to-wireline traffic that  
18 is originated by the Independent Telephone Company (“ICO”) or a Competitive  
19 Local Exchange Carrier (“CLEC”). BellSouth proposes to define Local Traffic as  
20 any intraLATA call transiting BellSouth’s network that originates from and  
21 terminates to carriers other than BellSouth, and for which BellSouth does not  
22 collect toll charges or access charges, either directly or indirectly, as the

1 intraLATA toll provider for the end user. This traffic would include ICO-to-ICO,  
2 CLEC-to-ICO, ICO-to-CLEC, and CLEC-to-CLEC traffic.

3 **Q. IN WHAT CIRCUMSTANCES WILL THE PROPOSED TARIFF APPLY?**

4 A. The Proposed Tariff would apply whenever the ICO or CLEC do not have a  
5 separate agreement addressing transit traffic with BellSouth.

6 **Q. IS TRANSIT TRAFFIC SERVICE A NEW SERVICE NOT PREVIOUSLY**  
7 **PROVIDED BY BELLSOUTH?**

8 A. No. BellSouth has been providing this service to ICOs and other carriers for  
9 many years on a bill and keep basis.

10 **Q. IF BELLSOUTH IS AUTHORIZED TO CHARGE FOR TRANSIT**  
11 **TRAFFIC, WHAT IS THE APPROPRIATE RATE?**

12 A. BellSouth already has a similar tariffed service known as Access Tandem  
13 Switching described in the BellSouth Intrastate Access Tariff and whose rate is  
14 one-fourth the level of the transit rate being proposed.

15 **Q. WOULD APPLICATION OF THE PROPOSED TARIFF BE**  
16 **DISCRIMINATORY TO THE ICOs?**

17 A. Yes. The ICOs find themselves similarly situated to interexchange carriers  
18 transiting the BellSouth tandem for termination on a third party. Therefore, this  
19 Proposed Tariff would violate SC Code Section 58-9-576(B)(5), which provides  
20 as follows:

21 "The LEC's shall set rates for all other services on a basis that does not  
22 unreasonably discriminate between similarly situated customers; provided,  
23 however, that all such rates are subject to a complaint process for abuse of

1 market position in accordance with guidelines to be adopted by the  
2 commission.”

3 BellSouth has proposed rates that will discriminate between similarly situated  
4 customers. Therefore, if it is necessary to now charge ICOs for this service which  
5 BellSouth has provided on a bill and keep basis for many years, this Commission  
6 should direct that the Transit Traffic rate and tariff be the same tandem switching  
7 rate already in place for the interexchange carriers of \$.00074 per minute of use  
8 found in BellSouth’s South Carolina Intrastate Access Tariff Section  
9 E6.8.1.D.1(a).

10 **Q. SHOULD THE COMMISSION REJECT BELL SOUTH’S PROPOSED**  
11 **TRANSIT RATE?**

12 **A.** Yes, as discussed above, the alternative regulation statute requires that prices not  
13 discriminate among carriers. Therefore this Commission should reject the  
14 Proposed Tariff because its terms are clearly discriminatory, or in the alternative,  
15 require the Proposed Tariff be modified to reflect the Intrastate Access Tandem  
16 Switching rate of \$.00074 per minute of use.

17 **Q. SHOULD THIS TARIFF BE APPLICABLE TO ISP TRAFFIC?**

18 **A.** No. ICOs originate traffic that transits BellSouth’s access tandem and is  
19 terminated to an Internet Service Provider (“ISP traffic”). In the Proposed Tariff,  
20 BellSouth is expecting the ICO or CLEC to pay BellSouth the Transit Traffic  
21 Service rate of \$.003 per minute-of-use on this ISP traffic and thus designating it  
22 as Local Traffic for purposes of this tariff when this traffic has been deemed to be  
23 interstate in nature by the FCC. Therefore, at a minimum, the Proposed Tariff  
24 for local Transit Traffic Service should be modified to remove ISP Traffic until

1 such time as the FCC rules otherwise. The Proposed Tariff should not apply to  
2 interstate traffic, this traffic should be addressed in the appropriate BellSouth  
3 tariff.

4 **Q. HOW SHOULD THIS COMMISSION PROCEED WITH THIS**  
5 **BELLSOUTH PROPOSED TARIFF?**

6 **A.** First, if the Commission should determine that a rate is appropriate, then it should  
7 require that the Transit Traffic Service rate be \$.00074 per minute-of-use and  
8 require BellSouth to modify the Proposed Tariff so it excludes all ISP traffic from  
9 application of the Transit Traffic Service rate. Only after making these  
10 modifications should the Commission consider approving the modified Transit  
11 Traffic Service Tariff No. 2005-50.

12 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

13 **A.** Yes.

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**Filed May 2, 2005**



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11 Traffic Service Tariff No. 2005-50.

12 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

13 **A.** Yes.

## CERTIFICATE OF SERVICE – SC 2005-63 EMAIL ADDRESSES

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STATE OF NORTH CAROLINA     )  
  )  
COUNTY OF WAKE                    )     CERTIFICATE OF SERVICE

This is to certify that I, Sue Boyle, an employee of ALLTEL Communications, Inc., have this date served one (1) copy of the **TESTIMONY OF JAYNE EVE** in the BellSouth Telecommunications, Inc. Transit Traffic Service Tariff No. 2005-50 to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

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S. C. Public Service Commission  
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Columbia, South Carolina 29211  
(PSC)  
**(U.S. Mail and Electronic Mail)**

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Sue Boyle

May 2, 2005  
Raleigh, North Carolina